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February 7, 2013

The Honorable Donald E. Williams
Senate President Pro Tempore
Legislative Office Building, Room 3300
Hartford, CT 06106

The Honorable Brendan Sharkey
Speaker of the House
Legislative Office Building, Room 4100
Hartford, CT 06106

The Honorable Martin M. Looney
Senate Majority Leader
Legislative Office Building, Room 3300
Hartford, CT 06106

The Honorable Joe Aresimowicz
House Majority Leader
Legislative Office Building, Room 4110
Hartford, CT 06106

The Honorable John McKinney
Senate Minority Leader
Legislative Office Building, Room 3400
Hartford, CT 06106

The Honorable Larry Cafero
House Minority Leader
Legislative Office Building, Room 4200
Hartford, CT 06106

**Re: Reauthorization of the Generator Tax; Impact on Ratepayers Throughout
New England**

Dear Senate President Pro Tempore, Speaker, and Leaders:

We are writing today to express our ongoing concern with a tax that the State of Connecticut assessed on electricity generators in 2011 and to express our strong desire that Connecticut not reauthorize this tax in 2013. We were disappointed that the Governor included such a proposal in his Fiscal Year 2014-15 budget released this week.

As you may be aware, a 2011 ISO New England study found that because all generators reap a windfall as a result of higher prices caused by the tax on Connecticut generators, New England ratepayers were likely to pay approximately \$58 million more to purchase electricity because of the tax, and that approximately 75% of the higher energy costs resulting from the tax were likely to be borne by ratepayers outside of Connecticut. In essence, the ratepayers of our states and others are bearing the burden of higher energy market prices that are the direct result.


New England's relatively high electricity costs are an economic drag on each of our states and New England as a whole. Our Offices work every day to oppose unnecessary and inappropriate electricity rate increases to protect the ratepayers of our states. As our commercial

and industrial ratepayers attempt to compete with other businesses across the country and the world, high electricity costs hurt their ability to keep jobs and bring new jobs to the region. Meanwhile, our residential ratepayers are still feeling the effects of the recession and higher electricity costs makes it harder for them to afford other basic needs.

We are sympathetic to Connecticut's budget challenges as our individual states are also looking for creative means to address our challenges. But Connecticut's generator tax is inappropriately raising the rates of our states' families and businesses in order to benefit Connecticut's coffers. We urge you to not reauthorize this tax.

Thank you for your attention.

Cordially,



Martha Coakley
Massachusetts Attorney General



Peter Kilmartin
Rhode Island Attorney General

Cc: The Honorable Dannel P. Malloy, Governor of Connecticut